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INFORMATION ON UNITED NATIONS SYSTEM TECHNICAL COOPERATION EXPENDITURE, 2000

Report of the Administrator

I. PURPOSE

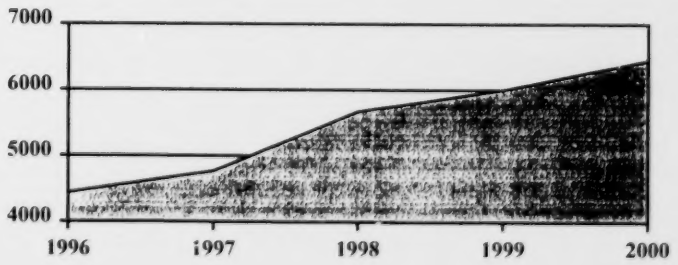
1. The present report contains a summary of the technical cooperation expenditure of the United Nations system as a whole. It also provides an analysis of technical cooperation assistance provided by the United Nations Development Programme (UNDP), the executing and specialized agencies, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), and the World Food Programme (WFP). The World Bank/International Development Association (IDA) are excluded from the traditional definition of technical cooperation although it provides similar assistance geared to backstop large-scale development programmes and projects.

2. For the purpose of the report, technical cooperation assistance is the summation of programme expenditure, net of support and administrative costs. A complete account of expenditure on development activities undertaken by the entire United Nations system can be found in the annual report of the Secretary-General on development activities. The analysis provided in the present report is based on the data presented at the end of the report and on the addendum (DP/2001/30/Add.1).

II. HIGHLIGHTS

3. The United Nations system as a whole (excluding the World Bank Group) delivered $6.5 billion of technical cooperation in 2000, the highest level ever, up by 7.4 per cent from 1999. The growth shown in 2000 is attributed to the spectacular growth rate of 32.6 per cent recorded by the executing and specialized agencies. During the five-year span of 1996 to 2000, the United Nations system delivered a total of $27.3 billion of technical

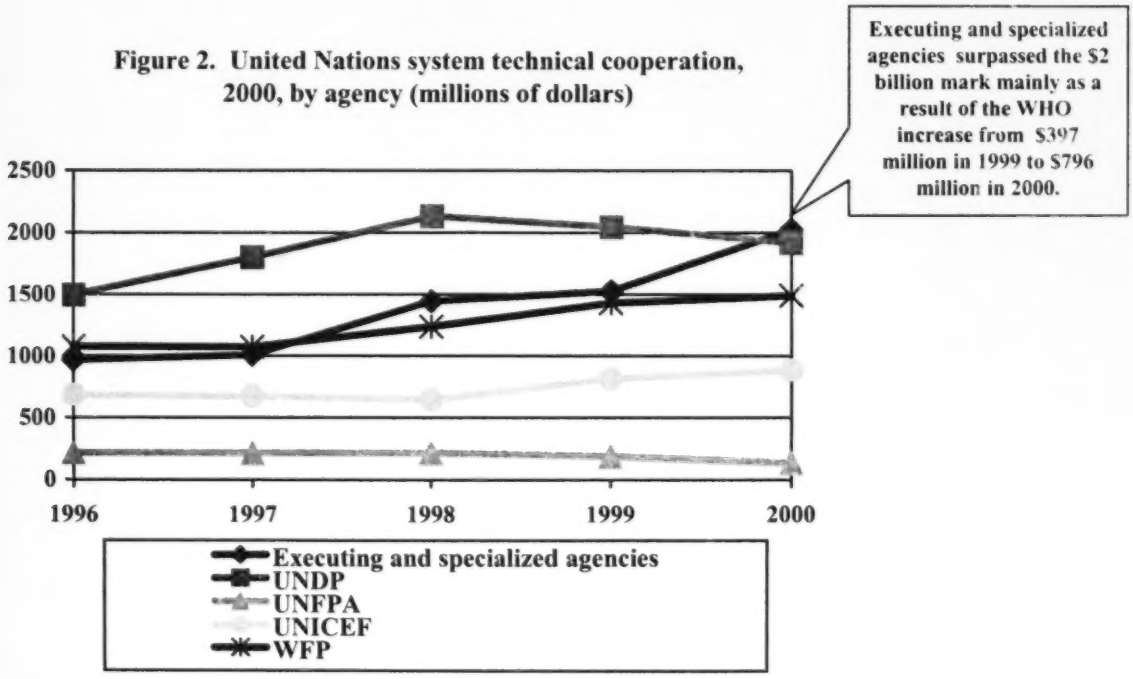
Figure 1. United Nations system technical cooperation expenditure, 1996 - 2000 (millions of dollars)



cooperation expenditure to its member countries/territories. The annual expenditure of the United Nations system was around $4.5 billion in 1996 and 1997, jumped to $5.7 billion in 1998, $6.0 billion in 1999, and reached its highest level of $6.5 billion in 2000. The highest growth rate was recorded in 1998, when total technical cooperation surged by 19 per cent - an increase fueled by the UNDP programme expenditure growth of 18 per cent, as well as by the expansion of 44 per cent of the group of executing and specialized agencies. United Nations system-wide technical cooperation delivery continued to grow, but at a slower rate of 5.8 per cent in 1999 and 7.4 per cent in 2000.

4. The executing and specialized agencies as a group surpassed the $2 billion mark for the first time and in 2000 achieved the highest share of expenditures at 31.4 per cent. The significant increase in the delivery figure for this group was generated by the World Health Organization (WHO) which represented 39 per cent of the total expenditure of the executing and specialized agencies. The World Food Programme (WFP) (at 4 per cent) and the United Nations Children's Fund (UNICEF) (at 8 per cent) also increased their delivery levels while UNDP and the United Nations Population Fund (UNFPA) experienced a decline in their 2000 programme expenditure by 6.2 per cent and 28.3 per cent, respectively. UNDP, for the first time, trailed behind the executing and specialized agencies, with its per cent share dropping from 34 per cent in 1999 to 30 per cent in 2000. UNICEF and WFP maintained their shares, at around 13 per cent and 23 per cent, respectively.

Figure 2. United Nations system technical cooperation, 2000, by agency (millions of dollars)



5. In terms of regional coverage, Africa received the highest share ($1.884 billion) of technical cooperation, representing 29.2 per cent of the United Nations system-wide delivery, followed by Latin America at 20.4 per cent ($1.3175 billion); Asia and the Pacific at 20 per cent ($1.289 billion); Arab States at 15.9 per cent ($1.024 billion); Europe and the Commonwealth of Independent States at 6.4 per cent ($0.410 billion) and other global and interregional programmes at 8.1 per cent ($0.522 billion). Of the $1.884 billion that Africa received, $764 million (41 per cent) was provided by WFP, $451 million (24 per cent) by the executing and specialized agencies, $333 (18 per cent) by UNICEF, $288 million (15 per cent) by UNDP and $48 million (3 per cent) by UNFPA. Latin America received 71 per cent from UNDP - 84 per cent of which was financed by government cost-sharing.

Figure 3. United Nations system technical cooperation, 2000: Geographic breakdown

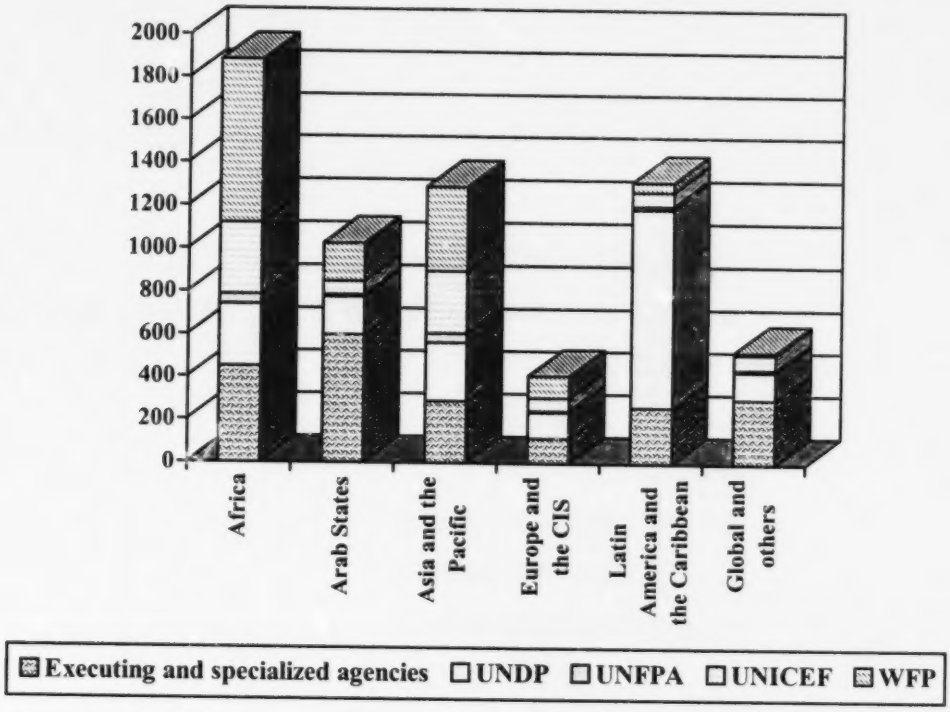
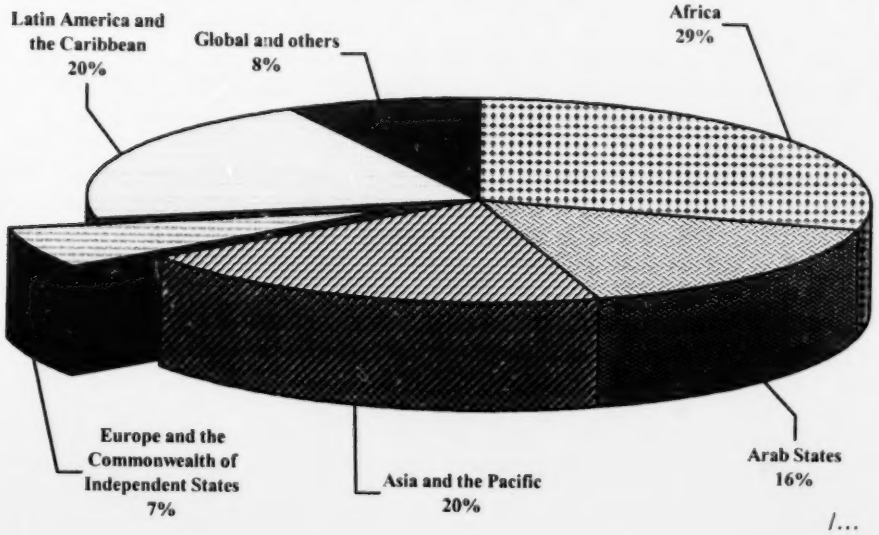


Figure 4. United Nations system technical cooperation, 2000, by region ($6.451 billion)


Latin America and the Caribbean 20%
Global and others 8%
Africa 29%
Europe and the Commonwealth of Independent States 7%
Asia and the Pacific 20%
Arab States 16%

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their positions from 1999, with the three largest percentage decreases incurred by the United Nations Industrial Development Organization (UNIDO) at 76 per cent, the International Labour Organization (ILO) at 55 per cent and UNCHS at 51 per cent.

11. The flow of assistance to the various sectors presented a parallel picture to that of its agency counterpart. Since 1998, the sectors of agriculture/forestry/fisheries (mainly from FAO), health (mainly from WHO) and humanitarian assistance (mainly from UNRWA) received two thirds (67.4 per cent) of the total pool of agency development cooperation, with the health sector capturing 57.1 per cent of the group's share in 2000.

12. In 1999 and 2000, the same five countries received the greatest share of total agency expenditure: Iraq ($201.7 million in 2000 as compared to $122.8 million in 1999, a 64 per cent increase); Brazil ($99.3 million in 2000 versus $68.9 million in 1999, translating to an increase of 44 per cent); India ($36.5 million in 2000 against $15.3 million in 1999, an increase of 138 per cent; Argentina ($28.7 million in 2000 as against $27.7 million in 2000, a 3.6 per cent increase); and China ($22.2 million in 2000 versus $27.5 million in 1999, a 19.3 per cent decrease).

13. Total contributions made to the executing and specialized agencies also recorded growth – to $1.792 billion in 2000, from $1.500 billion the previous year. This expansion of 19.4 per cent equated to a nominal increase of $291.5 million. Much of this growth emanated from increased contributions made to WHO, FAO and UNESCO. Total contributions to WHO increased from $445.8 million in 1999 to $673.6 million in 2000 (51 per cent), to FAO from $212.1 million to $223.5 million (5.4 per cent), and to UNESCO from $96.3 million to $118.7 million (23 per cent). On the other hand, some agencies experienced a substantial decrease in their respective incomes for 2000, such as the United Nations Industrial Development Organization (UNIDO) ($86.1 million in 1999 to $49.5 million in 2000 – a net loss of $36.6 million) and WIPO ($7.1 million in 2000 versus $4.2 million in 1999 – a net loss of $2.9 million).

14. The three largest contributors to the total pool of executing and specialized agency income in 2000 were: United States ($189 million), Netherlands ($164 million) and United Kingdom ($162 million). These three countries funded almost one half (48.4 per cent) of the full scope of agency activities for the year.

UNDP

15. UNDP delivery in 2000 saw another percentage drop, at 6.2 per cent, compared with 1999. In nominal terms, this translated to a reduction from 1999 to 2000 in the level of total UNDP expenditure: $2.044 billion versus $1.918 billion, respectively – a cut of $126 million.

16. UNDP is evolving into a multi-funded organization and has continued to increase its programme expenditure funded from other sources. Consequently, expenditure funded from non-core sources has been steadily increasing from $937.2 million in 1996 to $1.513 billion in 2000. However, there has been a declining shift in the share of regular (i.e. core) expenditure to total UNDP expenditure over a five-year period. In 1996, this ratio was 37 per cent of the UNDP total. By 2000, the percentage share of core expenditure to the aggregate decreased to 21 per cent (i.e., $557.1 million in 1996 to $404.3 million in 2000).

17. The flow of UNDP cooperation to the various economic sectors reveal that general development issues remain the overriding sector in which UNDP disbursed the greatest proportion of total resources for the period 1996-2000. During this period, UNDP funded $2.4 billion, or almost one third, of total cooperation expenditure for general development activities within a total programme framework of $9.4 billion.

18. A quick glimpse at agency distribution shows that for the fifth straight year, national execution is the modality of choice. During the last five years (1996-2000), national execution accounted for approximately two thirds ($6.3 billion) of UNDP total programme delivery. Execution by the United Nations Office for Project Services (UNOPS) is next, delivering 13 per cent of the total UNDP programme expenditure in 2000. The percentage share of UNOPS execution has declined since 1997, from 20 per cent in 1996 to 13 per cent in 2000.

19. In terms of geographic coverage, the year 2000 presented a similar distribution pattern to that of 1999, as can be seen from table 12 of document DP/2001/30/Add.1. Latin America and the Caribbean continued to capture the majority share of the UNDP expenditure base over the last five years and even increased its ratio to its highest-ever at 59.4 per cent in 2000 – up from 56.8 per cent the prior year – of which 81 per cent was in government cost-sharing. Notwithstanding a positive performance in this respect, the region also faced contracted expenditures in 2000 over 1999: $865.7 million versus $926.3 million – a loss of at least $60 million. Africa absorbed 13 per cent ($189.8 million) of UNDP overall programme expenditure in 2000. In absolute terms, this amount was lower by 27 per cent than in 1999, which was then at $261.2 million. Asia and the Pacific absorbed a further 12.4 per cent ($180.7 million) of the annual expenditure but also faced a loss of 26.8 per cent over its 1999 expenditure level of $246.7 million. On a positive note, the Arab States and the Europe and the Commonwealth of Independent States regions posted net gains of $22.2 million and $11.6 million, respectively, translating into an increase in the UNDP total for the same year: 5.1 per cent for Arab States and 6.3 per cent for Europe and the Commonwealth of Independent States. As regards the expenditure delivery for global and interregional activities, it posted a reduction of $10.9 million from 1999, thus lowering its percentage share to 3.5 per cent, down from 3.8 per cent in 1999. Lastly, the government cash counterpart contribution component, a modality wherein programme governments provide local cash or in-kind contributions directly to fund local expenditures of a UNDP-supported programme or project, rose by $3.3 million in 1999 to $4.5 million in 2000.

20. Total voluntary contributions to UNDP regular resources fell by 6.9 per cent ($47 million), bringing the total amount received in 2000 to $634 million. The decrease was due mainly to a sharp reduction in the contributions of three major donors which accounted for over 15.8 per cent of 1999 contributions from members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD/DAC) to regular resources and the continued strength of the United States dollar over other currencies.

WFP

21. The World Food Programme delivered $1.491 billion in 2000, accounting for almost a quarter (23.1 per cent) of the total flow of technical cooperation from the United Nations system to the developing world. Since 1996, three quarters of its funding – rising to 85 per cent by 2000 – has been expended in the humanitarian assistance sector. As in the past, WFP cooperation is highly concentrated in Africa and Asia, Africa receiving 51 per cent and Asia and the Pacific receiving 26 per cent of WFP's cooperation in 2000. The highest recipient of WFP cooperation in 2000 was Ethiopia, absorbing 16 per cent, or $237 million. WFP cooperation with Ethiopia increased significantly by 166 per cent over its 1999 expenditure level of $89 million. In addition to Ethiopia, four other countries received over $100 million in technical cooperation expenditure from WFP: Democratic People's Republic of Korea ($123 million); Kenya ($116 million); Angola ($108 million); and Sudan ($103 million). These five countries altogether constituted 46 per cent of total WFP technical cooperation expenditure in 2000; 82 other countries and territories formed the remaining 54 per cent.

22. The contributions made to WFP remained stable at $1.5 billion. The last two years have seen the highest levels of contributions that WFP received since 1994. Of the 2000 contributions, $1.44 billion represents voluntary contributions from Member States, up from $1.38 billion the previous year. This translates to an increase of 4.3 per cent. The United States continues to be the largest contributor to WFP and in 2000, contributed $683.4 million although this contribution level was 15 per cent below that for 1999. Other large contributors of $40 million or more in 2000 include: Japan ($290.7 million); Netherlands ($62.2 million); United Kingdom ($58.1 million); Australia ($57.2 million); Canada ($44.7 million); and Germany ($42.4 million). The United States and Japan provided 62 per cent of the total contributions made to WFP in 2000.

UNICEF

23. From its declining trend in 1996, 1997 and 1998, the resurgence of UNICEF expenditure in 1999 continued into 2000. Programme expenditures grew at 8.2 per cent in 2000 to the level of $885 million, an increase in nominal terms of $67.1 million from the 1999 level. UNICEF channeled an average of 48 per cent of its resources in the last two years to the health sector, a volume of $811.4 million. Furthermore, three other sectors absorbed another 42.3 per cent of total resources from UNICEF during the same period: general development issues (16.3 per cent); education (14.9 per cent); and social development (11.9 per cent). These four sectors absorbed 91 per cent, or approximately $1.5 billion, of total UNICEF funds of $1.7 billion during the years 1999 and 2000.

24. In 2000, the Africa and the Asia and the Pacific regions were the largest recipients of UNICEF cooperation, absorbing 38 per cent ($333.4 million) and 33 per cent ($290.4 million) of the total technical cooperation expenditure of UNICEF for 2000, respectively. India continued to be the largest recipient of UNICEF technical cooperation expenditure since 1996. From 9.2 per cent of 1996 total expenditure, or $62.7 million, UNICEF expenditure in India rose to $85.5 million, thus accounting for 9.7 per cent of the share in 2000. Nine other countries received more than $20 million from UNICEF in the same reporting year: Bangladesh ($34.8 million); Ethiopia ($33.1 million); Nigeria ($31.6 million); Democratic Republic of the Congo ($29.1 million); China ($23.8 million); Uganda ($22.5 million); United Republic of Tanzania ($22.4 million); Pakistan ($22.3 million); and Mozambique ($21.9 million). In all, ten countries were recipients of 37 per cent, or $327 million, of total UNICEF technical cooperation expenditure in 2000, valued at $885 million.

25. Total income to UNICEF grew for the third year in a row from 1998, when income ($999 million) fell just short of the $1 billion level. By 2000, this level had risen by $189.3 million to $1.188 billion. The bulk of this growth ($168 million) occurred between 1998 and 1999, when Member States volunteered additional funds of $83 million while private sector groups from individual countries as well as non-governmental organizations (NGOs) contributed additional sums of $60 million and $25 million, respectively. The relatively smaller growth ($22 million) of UNICEF income from 1999 to 2000 was accountable to the continued participation of Member States and NGOs through increased donations of $43 million and $24 million, respectively. The United Nations system was an active player in 2000 with almost $15.9 million in increased donations over the previous year. However, contributions from the private sector and other sources dropped in 2000. The United States continues to emerge as the largest contributor and since 1995 has increased its contribution in substantive amounts: from $128.6 million in 1995 to $247.6 million in 2000 – a marked increase of 93 per cent over a six-year time frame. The other major contributors exceeding the $50 million level for 2000 were: United Kingdom ($84 million); Japan ($72 million); Sweden ($56 million); Norway ($54 million); and the Netherlands ($51 million). These six countries alone provided UNICEF with $564 million or almost one half (47.5 per cent) from all sources combined.

UNFPA

26. UNFPA programme expenditure dropped from $216.6 million in 1998 to $187.1 million in 1999, a percentage reduction of 13.6 per cent. This trend continued into 2000 with an even larger drop, at 28.3 per cent, reducing its expenditure to its lowest level since 1993, to $134.1 million.

27. In terms of regional distribution, Africa (with 36 per cent) and Asia and the Pacific (with 32 per cent) together constituted about two thirds of UNFPA expenditure in 2000. India has been the largest recipient of UNFPA technical cooperation expenditure since 1996, at its highest at $13.3 million and diminishing to its lowest level in 1999, at $7 million; there was, however, a quick turnaround, with an expansion of 29 per cent to its 2000 level of $9 million. In addition, seven other countries were beneficiaries to $3 million or more of UNFPA expenditure: Viet Nam ($4.2 million); Nigeria ($3.7 million); Bangladesh ($3.7 million); China ($3.5 million); Zambia ($3.4 million); Mozambique ($3.4 million); and Cambodia ($3.2 million). Overall, all eight countries were recipients of one quarter, or $34.1 million, of UNFPA total technical cooperation expenditure in 2000.

28. After a three-year (1997-1999) decline in income, the aggregate contributions to UNFPA showed a slight increase of 4.8 per cent, reaching $255.8 million in 2000. The increase came primarily from the increased contributions by the Netherlands, from $42.8 million in 1999 to $50.6 million in 2000, representing almost 20 per cent of the total income of UNFPA. From 1995 to 1999, Japan was the highest donor to UNFPA, at approximately $50 million per year. However, in 2000, the Netherlands assumed the top position at $50.6 million, with Japan following a close second at $48.3 million. Other major donors of over $20 million in contributions to UNFPA include: Denmark ($23.9 million); Norway ($23 million); United Kingdom ($22.3 million); and the United States ($21.5 million). These six countries alone were the source of almost three quarters, or $189.5 million, of the UNFPA funding base for 2000.

29. The World Bank/IDA no longer specifically target expenditures for technical cooperation activities. Summary data submitted for 2000 represent a combination of loans and grants, which was related to assistance preceding, or combined with, large-scale programmes and projects. Funding for these activities was provided from: (a) learning and innovation loans (LILs); (b) technical assistance loans (TALs); (c) institutional development funds (IDFs); and (d) the Development Grant Facility (DGF). Total expenditure from these four sources amounted to $681.1 million in 2000, of which 61 per cent was provided in the form of TALs. The LILs and DGF, new instruments of cooperation, accounted for approximately 37 per cent of the expenditure, while IDF contributed the remaining 3 per cent.

III. EXECUTIVE BOARD ACTION

30. The Executive Board may wish to take note of the present report.

United Nations system: summary statistics on technical cooperation expenditure and contributions, 1996-2000

	1996		1997		1998		1999		2000	
A. EXPENDITURE	$M	% a/	$M	% a/	$M	% a/	$M	% a/	$M	% a/
Executing and specialized agencies	965.7	(24.0)	1 006.4	4.2	1 444.0	43.5	1 525.3	5.6	2 022.9	32.6
Regular budgets	383.7	(12.1)	402.6	4.9	426.4	5.9	444.0	4.1	469.6	5.8
Extrabudgetary	582.0	(30.2)	603.8	3.7	1 017.6	68.5	1 081.3	6.3	1 553.3	43.7
UNDP	1 494.3	18.8	1 800.6	20.5	2 130.8	18.3	2 044.1	(4.1)	1 917.7	(6.2)
Central	1 231.0	21.4	1 528.7	24.2	1 763.6	15.4	1 631.8	(7.5)	1 457.9	(10.7)
Regular (core)	557.1	10.6	672.4	20.7	605.8	(9.9)	512.4	(15.4)	404.3	(21.1)
Government cost-sharing and GCCC	598.6	34.2	769.2	28.5	1 046.0	36.0	942.3	(9.9)	870.9	(7.6)
Third-party cost-sharing	75.3	17.5	87.1	15.7	111.8	28.4	177.1	58.4	182.7	3.2
Funds and administered trust funds	263.3	8.3	271.9	3.3	367.2	35.0	412.3	12.3	459.8	11.5
UNFPA	216.5	(6.3)	214.4	(1.0)	216.6	1.0	187.1	(13.6)	134.1	(28.3)
UNICEF	683.7	(14.9)	672.6	(1.6)	645.0	(4.1)	817.9	26.8	885.0	8.2
WFP b/	1 077.8	(1.8)	1 072.4	(0.5)	1 237.3	15.4	1 429.6	15.5	1 491.0	4.3
World Bank Group c/	1 831.0	5.1	2 187.2	19.5	559.6	(74.4)	772.2	38.0	681.1	(11.8)
World Bank	1 160.3	6.1	1 401.6	20.8	282.8	(79.8)	280.5	(0.8)	211.8	(24.5)
IDA	670.7	3.5	785.6	17.1	137.5	(82.5)	345.0	150.9	305.4	(11.5)
Other Sources	-	-	-	-	139.3	-	146.7	5.3	163.9	11.7
Total, excluding the World Bank Group	4 438.0	(4.8)	4 766.4	7.4	5 673.7	19.0	6 004.0	5.8	6 450.7	7.4
B. CONTRIBUTIONS										
Agencies – extrabudgetary	1 107.1	0.5	1 349.9	21.9	1 296.9	(3.9)	1 500.6	15.7	1 792.1	19.4
Total bilateral	750.6	10.0	746.7	(0.5)	868.8	16.4	1 261.9	45.2	1 471.1	16.6
Countries/territories	508.8	(5.8)	569.2	11.9	567.5	(0.3)	875.3	54.2	1 066.0	21.8
NGOs	79.1	28.8	86.1	8.8	124.5	44.6	168.1	35.0	208.6	24.1
Unilateral self-supporting	162.7	101.1	91.4	(43.8)	176.8	93.4	218.5	23.6	196.5	(10.1)
Total multilateral	356.5	(15.0)	603.2	69.2	428.1	(29.0)	238.7	(44.2)	321.0	34.5
United Nations system	319.3	(17.7)	570.2	78.6	369.1	(35.3)	139.8	(62.1)	237.0	69.5
Non-United Nations system	37.2	18.1	33.0	(11.3)	59.0	78.8	98.9	67.6	84.0	(15.1)
UNDP (Voluntary)	847.9	(5.8)	760.9	(10.3)	745.8	(2.0)	681.4	(8.6)	634.1	(6.9)
UNFPA (Voluntary)	302.4	3.1	285.4	(5.6)	268.4	(6.0)	244.1	(9.1)	255.8	4.8
UNICEF (Voluntary) d/	592.8	(9.5)	592.5	(0.1)	592.2	(0.1)	675.7	14.1	718.6	6.3
WFP (Voluntary) b/	1 118.0	(2.9)	1 004.6	(10.1)	1 038.3	3.4	1 380.2	32.9	1 439.9	4.3

a/ Represents percentage increase over previous year's figure.
b/ WFP submitted revised expenditure and contributions data for 1996, 1997, 1998 and 1999.
c/ Beginning in 1998, the World Bank/IDA no longer specifically report data on technical cooperation expenditure, as noted in the text.
d/ UNICEF submitted revised contributions data for 1996, 1997, 1998 and 1999.
Note: Contribution data refer to voluntary contributions from Member States. Voluntary contributions comprise only one element of total income. In the case of UNDP, the other elements are cost-sharing, funds and trust funds, government cash counterpart contributions, contributions to local office costs, extrabudgetary activities and management services agreements. In the case of UNICEF, other elements of income include various private sources, interorganizational arrangements and miscellaneous.

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